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C O N F I D E N T I A L ZAGREB 001718

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [BK](#) [HR](#)

SUBJECT: ASHDOWN IN ZAGREB

REF: ZAGREB 1674

CLASSIFIED BY: AMBASSADOR RALPH FRANK FOR REASONS 1.5 (B) AND (D)

SUMMARY

1. (C) DURING A JULY 30 VISIT TO ZAGREB, HIGH REPRESENTATIVE ASHDOWN PRAISED THE RACAN GOVERNMENT'S PRODUCTIVE POLICY TOWARD BOSNIA OVER THE PAST THREE YEARS AND EXPRESSED HOPE

THAT THE POLICY WOULD CONTINUE AFTER UPCOMING ELECTIONS IN CROATIA. HE REFUSED TO BE ENGAGED IN NEGOTIATIONS ON THE STATUS OF THE PORT OF PLOCE AND ON A ROAD CONSTRUCTION PROJECT IN THE REGION OF NEUM, BIH, AND ENCOURAGED THE SIDES TO WORK THROUGH THESE BILATERAL ISSUES THEMSELVES. IN A PRIVATE MEETING WITH THE AMBASSADOR, ASHDOWN DESCRIBED OHR'S AMBITIOUS WORK PLAN FOR THIS AUTUMN AND ASKED THAT WE URGE CROATIAN POLITICIANS TO ABSTAIN FROM CAMPAIGN RHETORIC WHICH COULD AFFECT PROGRESS IN BIH. HE AGREED TO CONTINUE TO PRESS OTHER INTERNATIONAL COMMUNITY ACTORS TO ENSURE THE GOC MEETS REFUGEE RETURN IMPLEMENTATION BENCHMARKS. END SUMMARY.

2. (C) HIGH REPRESENTATIVE PADDY ASHDOWN VISITED ZAGREB ON JULY 30 AT THE INVITATION OF THE CROATIAN GOVERNMENT. IN MEETINGS WITH PRESIDENT MESIC, PM RACAN, WITH PARLIAMENTARIANS AND WITH THE PRESS, ASHDOWN PRAISED THE RACAN GOVERNMENT'S "PRODUCTIVE" POLICY TOWARD BIH AND PRESIDENT MESIC'S MORAL LEADERSHIP IN THE REGION. IN HIS MEETING WITH THE AMBASSADOR, ASHDOWN THANKED THE USG FOR ITS STEADFAST SUPPORT OF OHR'S MISSION.

3. (C) ASHDOWN SAID THAT HE REJECTED EFFORTS BY BOTH RACAN AND MESIC TO GET OHR TO ENGAGE ON THE CORRIDOR 5C ROAD PROJECT AND ON THE STATUS OF THE PORT OF PLOCE, BOTH ISSUES ASHDOWN BELIEVES SHOULD REMAIN BILATERAL ISSUES. AS HE DID DURING HIS MEETING WITH THE AMBASSADOR (REF), RACAN TOLD ASHDOWN THAT HE WAS CONCERNED ABOUT THE SPECTER OF "ISLAMIC FUNDING" FOR THE IMPORTANT ROAD CONSTRUCTION PROJECT AND THOUGHT THAT THE TENDERING PROCESS WOULD BE BIASED TOWARD A MAYLAISIAN FIRM. ASHDOWN SAID HE ASSURED RACAN THAT THE BIDDING FOR THE PROJECT WOULD BE TO EUROPEAN STANDARDS AND THAT CONCERNS SHOULD BE DIRECTED TO THE GOBIH, NOT TO OHR. ASHDOWN SAID HE WAS PLEASED THAT IT APPEARED THE TWO SIDES WERE COMING TO CLOSURE ON THE ISSUE OF A BILATERAL AGREEMENT ON THE STATUS OF THE PORT OF PLOCE.

4. (C) ASHDOWN SAID HE WAS VERY RELIEVED TO HEAR CONFIDENT PREDICTIONS FROM THE CURRENT COALITION ABOUT THE LIKELY OUTCOME OF CROATIA'S NEXT PARLIAMENTARY ELECTIONS. HE SAID THAT FOR ALL ITS FAULTS, THE RACAN GOVERNMENT'S POLICY TOWARD BIH HAS BEEN A "RAY OF LIGHT" IN THE REGION. ASHDOWN DESCRIBED A SERIES OF PROJECTS AIMED AT STRENGTHENING NATIONAL-LEVEL BIH INSTITUTIONS WHICH OHR HOPES TO PRESS FORWARD IN THE COMING MONTHS. HE ALERTED THE AMBASSADOR THAT NATIONALIST-LEANING POLITICIANS IN CROATIA MAY OBJECT TO SOME OF THESE REFORMS; HE ASKED THAT THE USG URGE POLITICAL LEADERS TO ABSTAIN FROM MAKING THEM ISSUES IN THE UPCOMING ELECTION CAMPAIGN.

5. (C) ASHDOWN SAID THAT HE PLANNED A NEW REGIONAL INITIATIVE TO RE-OPEN TRADE CORRIDORS FROM THE BIH REGION IN TREBINJE TO THE CROATIAN CITY OF DUBROVNIK. TREBINJE'S PROXIMITY TO DUBROVNIK AND THE "DE FACTO ECONOMIC BLOCKADE" OF TRADE INTO CROATIA HAS TURNED THE TREBINJE REGION OF BIH INTO A "NEST OF THIEVES." HE HOPES TO ENGAGE WITH INTERNATIONAL ORGANIZATIONS TO URGE THE CROATIAN GOVERNMENT TO FACILITATE THE MOVEMENT OF PRODUCTS AND SERVICES -- ESPECIALLY AGRICULTURAL PRODUCTS -- TO DUBROVNIK. ASHDOWN SAID HE EXPECTED A FAIR HEARING IN ZAGREB, BUT HAD FEW HOPES THAT DUBROVNIK MAYOR SUICA (HDZ) WOULD BE RECEPTIVE TO THE INITIATIVE.

6. (C) THE AMBASSADOR TOLD ASHDOWN THAT REFUGEE RETURN AND REINTEGRATION ISSUES REMAIN A TOP USG CONCERN FOR THE REGION.

DESPITE POSITIVE ANNOUNCEMENTS OF NEW PROJECTS AND CROSS-BORDER MEETINGS, THE U.S. WILL CONTINUE TO PRESS THE GOC FOR PROGRESS ON IMPLEMENTATION BEFORE GIVING CROATIA CREDIT FOR ADDRESSING THIS ISSUE. THE AMBASSADOR ASKED ASHDOWN TO ENSURE THAT IN MEETINGS WITH EU COLLEAGUES, HE PRESS THEM TO INSIST ON RESULTS ON THE GROUND, NOT ANNOUNCEMENTS IN ZAGREB. ASHDOWN READILY AGREED THAT THE TIME TO APPLY LEVERAGE IS NOW, AND SAID HE WOULD RAISE THE ISSUE, ESPECIALLY WITH THOSE EU COUNTRIES LESS LIKELY TO HOLD CROATIA ACCOUNTABLE.

FRANK

